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BEFORE THE ENERGY RESOURCES CONSERVATION AND
DEVELOPMENT COMMISSION
OF THE STATE OF CALIFORNIA

APPLICATION FOR CERTIFICATION)
OF THE)
INDIGO ENERGY FACILITY) Docket No. 01-EP-2
(March 16, 2001)
BY WILDFLOWER ENERGY LP)

Tuesday, March 27, 2001

At Palm Springs City Hall Council Chambers,
3200 Tahquitz Canyon Way, Palm Springs, California
6:00 O'Clock P.M.

Reported by:
Janet B. White, Certified Realtime Reporter
CSR No. 1879

Pages 1-102, Inclusive

1 COMMITTEE MEMBERS PRESENT:

2 WILLIAM KEESE, Commissioner, Presiding Member
3 MICHAEL SMITH, Commissioner Adviser
4 SAMUEL D. REYES, Hearing Officer
5 SUSAN FRANCES GEFTER, CEC Hearing Office

6 STAFF PRESENT:

7 KEVIN KENNEDY, Site Manager
8 DOUG PERKINS, Public Adviser

9 APPLICANT:

10 John D. Jones, InterGen

11 INTERVENORS:

12 William G. Kleindienst, Mayor of Palm Springs
13 John Theodore Yee, and Knut Beruldsen, South
14 Coast Air Quality Management District
15 Matt Weyuker, Mayor of Desert Hot Springs
16 Joe Gossetta, City Manager of Desert
17 Hot Springs
18 Joe Bocanegra, General Manager of the Mission
19 Springs Water District, along with:
20 Steve Kennedy, District General Counsel,
21 Gary Brockman, Operations Manager
22 Don Coleman, Public Information Officer
23
24
25

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1 PRESIDING MEMBER KEESE: Thank you all for
2 coming today. This is an Informational Hearing being
3 conducted by the California Energy Commission on the
4 proposed Indigo Energy Facility.

5 Before we begin, I would like to introduce
6 you to the members sitting up here with me.

7 I'm Bill Keese, Chairman of the California
8 Energy Commission and the Presiding Committee Member
9 on this case.

10 Samuel Reyes is to my right. He will be our
11 Hearing Officer tonight.

12 Susan Gefter, on his right, is from the
13 California Energy Commission Hearing Office.

14 And on my left is Michael Smith, my Adviser
15 at the Commission.

16 At this time, I would like the parties to
17 introduce their representatives, and for the
18 Applicant, John Jones. And I would like you to speak
19 into the mike, and if you would introduce anybody
20 else that you would like to introduce at this time.

21 MR. JONES: My name is John Jones. I'm with
22 Wildflower Energy.

23 With me I have Mark Turner, and we're
24 representing the Applicant, as well we have Marian
25 Harvey and Mike Carroll. And we have Jeff Welton

1 also representing the project.

2 PRESIDING MEMBER KEESE: Thank you.

3 Mr. Kennedy, for the staff.

4 MR. KENNEDY: My name is Kevin Kennedy, and
5 I'm the Siting Project Manager for this case for the
6 Energy Commission Staff which is reviewing the
7 Project.

8 PRESIDING MEMBER KEESE: Thank you. And our
9 Public Adviser assisting us and assisting members of
10 the public here is Doug Perkins. Mr. Perkins, would
11 you identify yourself, please. In the back of the
12 room at my right.

13 We perhaps have members of other agencies
14 here. Do we have a -- I'd ask them to step forward
15 and identify themselves for the record.

16 Do we have any representative of the City of
17 Palm Springs?

18 MR. KLEINDIENST: Yes, sir, if I may be so
19 bold; Will Kleindienst, Mayor of Palm Springs.

20 PRESIDING MEMBER KEESE: Thank you, sir.

21 The Riverside County, the local Air
22 District?

23 We heard the mayor.

24 MR. KLEINDIENST: But for the record, sir,
25 Mayor Will Kleindienst, Palm Springs.

1 PRESIDING MEMBER KEESE: Thank you, sir.

2 And for the Air District, please.

3 MR. YEE: Hi. I'm John Yee with the South
4 Coast Air Quality Management District, and with me is
5 my engineer, Knut Beruldsen.

6 PRESIDING MEMBER KEESE: Can you repeat that?

7 MR. YEE: John Yee, Y-E-E, and the other
8 name was Knut, K-N-U-T, last name is
9 B-E-R-U-L-D-S-E-N.

10 PRESIDING MEMBER KEESE: Thank you. For
11 the --

12 MR. WEYUKER: Hi, Bill. How are you?

13 PRESIDING MEMBER KEESE: Hi.

14 MR. WEYUKER: Matt Weyuker, Mayor of the City
15 of Desert Hot Springs. I have with me our City
16 Manager, Joe Gossetta.

17 PRESIDING MEMBER KEESE: Nice to see you.

18 MR. WEYUKER: Good to see you too.

19 PRESIDING MEMBER KEESE: The Water
20 District?

21 MR. BOCANEGRA: Yes, sir. I'm Joe Bocanegra,
22 General Manager of the Mission Springs Water
23 District.

24 With me today is Steve Kennedy, our District
25 General Counsel; Gary Brockman, Operations Manager;

1 and Don Coleman, our Public Information Officer, if
2 you --

3 PRESIDING MEMBER KEESE: Thank you. Do we
4 have any other representative of governmental
5 agencies here?

6 Now, I'm -- at this point, I'm going to ask
7 that -- members of the public will be allowed to
8 speak and ask questions after we get into this
9 process, but if there is anybody who would like to
10 identify themselves for the record at this time, I
11 would welcome them to come forward and identify
12 themselves for the record.

13 MR. BRACKEN: Good evening. Michael Bracken,
14 President and CEO, Coachella Valley Economic
15 Partnership.

16 PRESIDING MEMBER KEESE: Thank you, Mr.
17 Bracken.

18 MR. WOLF: Good evening. Mark Wolf for
19 Coral.

20 PRESIDING MEMBER KEESE: Thank you, Mark.

21 MR. THOMAS: William Thomas, Coachella Valley
22 Green Party.

23 MR. SWARTHOWT: Patrick Swarthowt,
24 representing the Building Industry Association,
25 Desert Chapter.

1 PRESIDING MEMBER KEESE: Thank you.

2 Anyone else?

3 MR. ORLOSKY: My name is Henry Orlosky, and I
4 represent Harper Lake Energy Development Company.

5 PRESIDING MEMBER KEESE: Thank you, Mr.
6 Orlosky.

7 Wildflower Energy LP filed an Application
8 with the Commission for a license to build and
9 operate the Indigo Energy Facility near the City of
10 Palm Springs.

11 The Application has been filed under the
12 Emergency Siting Process implemented by the Energy
13 Commission to help meet peak electricity needs this
14 summer; therefore, this process requires the Energy
15 Commission to act very quickly in reviewing
16 applications.

17 The purpose of this hearing is to give you,
18 the public, an opportunity to understand the proposal
19 and to tell us your concerns about it.

20 There will be another hearing in less than
21 two weeks in Sacramento at which the Energy
22 Commission will approve or deny the proposed
23 Project.

24 That decision will be based on what we hear
25 today and on comments we receive over the next

1 several days from you, from public agencies, and from
2 our staff.

3 Despite this abbreviated process, the Energy
4 Commission still has a mandate to protect public
5 health and safety and the environment.

6 If the Energy Commission approves this
7 proposal, we will require the Applicant to mitigate
8 the most serious and avoidable adverse impacts.

9 For that reason, we want to hear from you,
10 the public, about your concerns and any suggestions
11 you may have for terms and conditions that we would
12 place on the License to approve the project.

13 We have established an e-mail address for
14 those comments and an 800 number to facilitate
15 comments from those who do not have Internet access,
16 and you'll be able to get that from Mr. Perkins.

17 I don't -- do we have a card with that
18 information on it, Mr. Perkins, with the 800 number
19 and e-mail address?

20 MR. PERKINS: Yes, sir. I can state it for
21 the record, and there are some cards in the back with
22 it on there.

23 The 800 number for contacting us is
24 1-800-273-4459, and you can reach us at two e-mail
25 locations: pao@energy.state.ca.us, or at my personal

1 e-mail address, which is dp@pacgateway.com.

2 PRESIDING MEMBER KEESE: Thank you. At
3 this time, I will ask our Hearing Officer, Samuel
4 Reyes, to take over. Mr. Reyes.

5 HEARING OFFICER REYES: Yes. Thank you,
6 Commissioner.

7 The hearing will begin with a presentation
8 from the project developer about what it proposes to
9 do, then the Commission staff will give their initial
10 review of the project and any preliminary impression
11 it has, based on what it calls fatal flaw
12 analysis, that tries to determine whether there are
13 any reasons that, even in the declared emergency
14 condition, this plant should not be permitted under
15 an abbreviated process.

16 And in a few days, staff will submit its
17 Analysis and Recommendation whether to license the
18 facility and, if so, under what conditions.

19 After the staff presentation, we will take a
20 break and distribute cards to those of you who may
21 not have already obtained them from -- from the
22 Public Adviser. This is what they look like
23 (indicating).

24 You may write your questions, and then we
25 will ask the questions after the break of the

1 Applicant or Staff.

2 As I indicated, there will be a break, and
3 during the break, you, again, may have informal
4 discussion with the Applicant and with staff and ask
5 them informally to clarify any point that they may
6 have made during their presentations. This may help
7 you formulate your questions.

8 The cards contain a space for an address.
9 Please provide us that address in the event that we
10 are unable to get to your question this evening.

11 If you wish to make a comment, whether you
12 have a question or not, please indicate on the blue
13 card, and once we have gone through the questions,
14 then we will have you come and make your statements
15 for the record.

16 I will ask that everybody advance to the
17 microphone. That way, we have one person speaking at
18 a time, and that makes it easier for the reporter to
19 take the record.

20 And depending on the number of questions and
21 requests for comments that we have, we may limit the
22 time allotted each speaker.

23 You may also use the e-mail address and 800
24 number of the Project Manager on the Staff for the
25 Commission in charge of this project. The e-mail is

1 kkennedy@energy.ca.us. The 800 number is
2 888-871-9673.

3 MR. KENNEDY: Excuse me. I think you
4 misstated my e-mail address. It is
5 kkennedy@energy.state.ca.us.

6 HEARING OFFICER REYES: Thank you.

7 We will now begin with the presentation by
8 the Applicant.

9 And I'll ask you at the start to please
10 explain the relationship between Wildflower Energy,
11 that we see on the Application, as well as InterGen,
12 which we also see on the Application, and an entity
13 that I heard at the site named Coral Power. So if
14 you would address that issue and then proceed.

15 MR. JONES: Thank you very much. I
16 appreciate the opportunity to present this project
17 both to you, the Energy Commission, as well as to the
18 folks of Palm Springs and the surrounding areas, and
19 look forward to, you know, the full process here.

20 As far as explaining the relationship
21 between the parties, Wildflower Energy is a project
22 company which owns two projects that we're hoping to
23 get on line for this summer, the Indigo Energy
24 Facility, which we are discussing today, and the
25 Larkspur Facility, which we discussed with the City

1 of San Diego last week.

2 Wildflower is wholly owned by InterGen.

3 InterGen is an international developer of power

4 projects. We focus predominantly on gas fuel

5 generation, and always a very clean generation in all

6 the communities where we operate.

7 We really focus on building a partnership

8 with the communities where we develop projects and

9 have had quite a success in the last several years in
10 that effort.

11 These projects would be the first ones that

12 would be in operation in California. We're -- we're

13 starting these projects in an effort to respond to

14 the emergency that's been facing all of us and that

15 has prompted this process.

16 Coral power is an affiliate of ours. We own

17 30 percent of it. They are a power marketing

18 company. Coral Power bid to the California ISO for

19 Summer Reliability Contracts late last year, and

20 these projects began development in response to that,

21 in response to winning that bid.

22 And so, for a moment, I'd like to describe

23 these two projects and how they came about and then

24 talk more specifically about Indigo Energy.

25 We had initially, in response to our

1 contracts with the California ISO, to add reliability
2 to the system for the summer, began development of
3 five separate projects.

4 These projects were each going to be about
5 45 megawatts, and we had two of them that we were
6 developing up here and three down in San Diego.

7 The reason we were pursuing that process is
8 that, at the time, it appeared that the local
9 permitting process, while no less rigorous as far as
10 the standards, was a quicker process, and so we
11 focused on permitting these projects, these five
12 projects, through the local permitting processes.

13 As a result of the Governor's orders and the
14 CEC's demonstrated ability to manage the 21-day
15 process, we elected to consolidate those five
16 projects into two, with three of the units coming
17 here in Indigo and two of them at Larkspur.

18 The benefits of those are numerous.

19 First of all, that reduces the impacts of
20 the project, the interconnections you have to build.
21 You have less visual impacts, and you're disturbing
22 fewer areas by concentrating five units on two sites
23 than you would by building five independent sites.

24 Second of all, the permitting process for
25 all of us is a challenge, especially when doing more

1 than one at a time. And doing it in the time frame
2 that we have, it clearly increases the chances that
3 we can pull this together as a project.

4 And the CEC has been very good in supporting
5 this effort through this process.

6 Now, I would like to talk a bit about the
7 project. As you guys -- those of you who went on the
8 site visit -- can see, the project is on 19th Avenue
9 about a mile north of I-10. The area that we would
10 be using is among a bunch of windmills. It is part
11 of wind farms and in an area that has been used for
12 generation for quite a while and is not really an
13 impact because there are no real neighboring
14 residences.

15 The businesses that surround the area
16 predominantly are those that support the wind farms,
17 and we expect to lease some of that space, or we have
18 leased some of that space, for our construction
19 office, to the extent we receive our permits, and
20 expect our operating group to be out of that same
21 business park in the area.

22 What you have here is an aerial map or
23 aerial photograph of the site along with the rights
24 of way.

25 HEARING OFFICES REYES: Mr. Jones, you have

1 provided us a packet to follow along with your visual
2 presentation?

3 MR. JONES: Yes.

4 HEARING OFFICER REYES: And I believe that
5 that packet is not part of the Application?

6 MR. JONES: It is not part of the
7 Application, but the packet that I provided you has
8 the same visuals as what I'm presenting to the
9 public.

10 HEARING OFFICER REYES: In order to make a
11 complete record, I would mark this document as
12 Exhibit 1 in this hearing so that it becomes part of
13 the process.

14 You may proceed.

15 MR. JONES: Thank you. What you have is an
16 aerial photograph which shows the site as well as the
17 rights of way that we proposed for the gas
18 interconnection and the power interconnection.

19 The gas interconnection projects south from
20 the site and along existing disturbed land to
21 Interstate 10. The pipe will be drilled underneath
22 Interstate 10 and then interconnected with Southern
23 California Gas Company's high pressure system.

24 The electrical interconnection will proceed
25 west from the site, along an existing dirt road

1 and --

2 PRESIDING MEMBER KEESE: Excuse me. This is
3 the slide on the last page, I believe? Number 2
4 Graph or Chart 2; s that what you are --

5 HEARING OFFICER REYES: A photograph you are
6 referring to, not the --

7 MR. JONES: There should be a number 2 at
8 the top. Yes, sir, that's the one.

9 HEARING OFFICER REYES: Thank you.

10 MR. JONES: And so we have made the efforts
11 for the site to be located away from residences in an
12 area that's predominantly generation, and the rights
13 of way are generally along existing dirt roads and in
14 rights of way that are in place, in order to minimize
15 the environmental impact of developing these
16 projects.

17 Next we have what was part of our initial
18 submission as the landscaping plan, which shows what
19 we expect the projects to look like both from the
20 side and from the end, if you will.

21 And I want to point out the relative stack
22 height, which is 110 feet from the windmills that are
23 in the area. The stack height is going to be less
24 than half the height of the surrounding windmills,
25 and so, as a visual concern, it really would not be

1 expected to be a major visual impact in constructing
2 the facility.

3 Next I would like to show you a simulated
4 photograph of the project superimposed over an
5 existing landscape. From the angle that this photo
6 was taken, the stacks appear to be taller than they
7 are relative to the windmills, based on the angle,
8 but you can see that it fits in the environment with
9 the landscaping, and with the relative low height of
10 the stacks compared to the windmills, it should fit
11 rather well into the surrounding area.

12 I think I should pause at this moment to
13 speak a little bit about the technology.

14 What we have are three identical units.
15 They're General Electric LM6000, which is an
16 aero-derivative machine. It's similar to the
17 aircraft engine, which burns natural gas to create
18 and in order to turn a generator to create the
19 electricity.

20 We also have selective catalytic reduction
21 on the back end of the plant, much like a catalytic
22 converter on a car, which makes use of a catalyst in
23 order to get whatever emissions do come out of the
24 LM6000 and clean them, and in order to reduce the
25 emissions.

1 This configuration is consistent with the
2 Best Available Control Technology for this type of
3 machine, and even though we're going through an
4 expedited permitting process, meets all of
5 California's standards as if we had gone through a
6 longer process.

7 Lastly, I would like to talk a little bit
8 about the emissions. In looking at NOx, which is
9 generally considered the major -- the major emission
10 from a power project, this graph compares the
11 emissions from the peakers 670 miles west of Palm
12 Springs, which are older technology, hundred percent
13 on the scale for NOx emissions, to an LM6000
14 operating without SEC, without the catalytic
15 converter, if you will, as well as the California
16 average for generation. That California average is
17 the average of all gas and oil fire generation in the
18 State of California as based on information provided
19 by the EPA.

20 Lastly, you see the NOx emissions at this
21 project, which are clearly using much better control
22 technology than either local peaking projects, the
23 Etiwanda Peakers, the average of California, or the
24 LM6000 uncontrolled.

25 Also, on the right, you see a graph of water

1 consumption. We are on the desert; we understand
2 that water is a very sensitive issue, and these
3 projects are designed to run very little water. In
4 fact, there is no water discharge beyond storm water.
5 So, all of the water that is brought into the project
6 is used as much as possible.

7 As you can see from the graphs, this project
8 will use about 20 percent of the water that's in a
9 typical golf course.

10 If I recall correctly, there is 128 golf
11 courses in Palm Springs, and so, on a relative basis,
12 we're talking about a fairly minimum amount of water
13 consumption that these projects require.

14 And that concludes my presentation of the
15 project.

16 HEARING OFFICER REYES: Okay. Thank you.

17 Mr. Kennedy.

18 MR. KENNEDY: Thank you, Mr. Reyes, Chairman
19 Keese.

20 I want to first speak a little bit about the
21 emergency permitting process that staff is in the
22 process of using to review this project and say how
23 we are applying it in the case of this particular
24 project.

25 Just a little bit of background: The

1 Governor has issued a series of executive orders
2 relating to the electricity problems in California
3 today, and particularly some of those directly
4 concern the need for additional electricity
5 generation this summer and next summer.

6 He issued a series of executive orders in
7 February and another one in March that focused on a
8 number of different aspects of the electricity and
9 the emergency.

10 One of those emergency orders set up this
11 emergency process for permitting power plants that,
12 in the initial order, said could be on line by July
13 31st.

14 The second executive order extended that
15 deadline to projects that could be on line by
16 September 30th.

17 As Chairman Keese indicated, the Commission
18 has been directed to expedite, under its emergency
19 powers, the permitting of projects that meet that.

20 This is in addition to all of our normal
21 processes, but these projects are being handled
22 outside of the normal processes.

23 The power plants that qualified for this are
24 peaking power plants that can be built quickly; they
25 can be on line by September 30th.

1 Typically, the Energy Commission's
2 jurisdiction extends to power plants that are 50
3 megawatts or larger, projects that had contracts with
4 the Cal. ISO for summer reliability.

5 Those contracts that were issued last fall
6 are also allowed, under the Governor's emergency
7 order, to come into our process.

8 So we may be seeing some projects that are
9 below 50 megawatts, but generally what we're looking
10 at is projects 50 megawatts and over that can be on
11 line in the summer in this process.

12 The other thing that we are looking for in
13 projects that come under the emergency process are
14 projects that will not have any fatal flaws.

15 We are not doing a full review under the
16 California Environmental Quality Act with these
17 projects.

18 The Governor's executive orders have
19 declared these to be emergency projects that are
20 exempt from CEQA, but we are considering what the
21 environmental impacts are for these projects.

22 We are doing what we're calling the Fatal
23 Flaw Analysis to determine whether or not there are
24 any significant impacts that say these projects
25 should not be going forward.

1 What we are looking at in that is the nature
2 of the public health impacts, mostly safety concerns,
3 that any environmental impacts that may be present
4 from a project can be mitigated; that there will be
5 no significant adverse impact from the project on the
6 energy system in terms of connecting to the grid or
7 in terms of the ability of just to supply natural
8 gas.

9 We are making sure that the projects will
10 comply with legal requirements; we are looking at a
11 number of the normal types of reviews that we do. We
12 are just doing a much -- we're working very fast,
13 very hard to make sure that we can review these in a
14 timely fashion and make sure that there is not going
15 to be a significant problem with the projects.

16 The typical timeline that we're operating
17 on, once we essentially start the clock at Day Zero,
18 once a project is accepted as complete, we are
19 attempting to get out public notices -- we're trying
20 to get them out the same day, but certainly within a
21 day or two of the Application being complete.

22 We're holding a site visit and a public
23 hearing in the local community, as we're doing today,
24 five to ten days after the application is complete,
25 and looking to receive comments and recommendations

1 from other state, federal, and local agencies and
2 from the public both through these public hearings
3 and through coordination with other agencies and
4 people getting comments to us however they can.
5 We're looking for those within two weeks of having
6 received an application.

7 The staff will complete its assessment
8 between 12 and 16 days from when the application was
9 complete. There will then be the Presiding Member
10 for the case, the Commissioner who is hearing the
11 case, will be putting out a recommended decision
12 within days of when the staff assessment is
13 completed, and then we're looking for a final
14 decision on the project, one way or the other, by the
15 full Energy Commission within three weeks of when we
16 accept the Application as complete.

17 For the Indigo Facility, we determined that
18 the Application was complete on March 16th. We are
19 looking to receive all comments from public agencies
20 by Thursday of this week. We are planning to publish
21 at this point the staff assessment by this Saturday,
22 March 31st.

23 The proposed schedule that we're operating
24 under would have the proposed decision available on
25 Monday, and then the final decision at the business

1 meeting of the full Energy Commission next Wednesday,
2 April 4th.

3 Though we are doing this very fast, what we
4 are looking at in the permit decision does share a
5 number of the key and very important characteristics
6 of the decisions that are made in the longer standard
7 process that the Energy Commission has always used
8 for power plants.

9 The decision will include a number of
10 conditions of certification for the project, things
11 the Applicant will have to do either before
12 construction can begin, during construction, before
13 operation can begin, or during operation.

14 We will not be simply granting the permit
15 and walking away from this project.

16 The Energy Commission's role with power
17 plants in California -- and that includes for these
18 emergency projects -- includes oversight of the
19 construction and operation of the process, so we will
20 be continuing to watch what is going on with the
21 project, make sure that what the Applicant has told
22 us they are going to do in terms of protecting the
23 environment and protecting the public health, that
24 those things are actually being followed through.

25 At this point, we are still receiving some

1 of the comments from different agencies and from the
2 public.

3 Based on some of the comments that we
4 receive, we've identified a few things that we are
5 still looking at. We know that we will, the staff
6 will, be recommending conditions of certification.

7 One issue is the condition of water supply
8 for the project. The staff has received a letter
9 from the Mission Springs Water District expressing
10 some serious concerns about their ability to serve
11 the project.

12 That is something that staff needs to look
13 into; we just received that letter today. So, over
14 the next couple days, staff will be determining how
15 and what sort of recommendation we will want and need
16 to make with respect to the water supply for the
17 project.

18 There is also some degree of concern about
19 the nature of the site itself, the desert, habitat
20 within the desert. There are numerous endangered
21 protected species. We are taking a close look at
22 that, working with the California Department of Fish
23 and Game, the U.S. Fish and Wildlife Service, to make
24 sure that the project will not have any impacts on
25 endangered species.

1 We will be looking for some form of
2 indication for the loss of desert habitat that this
3 project would entail.

4 The Applicant suggested the payment for
5 setting aside some additional habitat elsewhere that
6 would be protected. It's likely that we go along
7 with some form of mitigation along those lines, but
8 the details we're still working through.

9 Among the comments that we received from the
10 City of Palm Springs, there is a number of conditions
11 that we'll be working to incorporate that the City
12 recommended.

13 One particular had to do with possible
14 traffic impacts at the Interchange of I-10 and Indian
15 Avenue, and so, you know, we may have some
16 requirements in terms of how equipment is brought to
17 the site during construction, to avoid causing major
18 problems with the traffic at that interchange,
19 and a number of other things, comments, we will be
20 working through to incorporate those as appropriate
21 in the -- in the staff's recommendations.

22 As I said, the Commission does not walk away
23 from these projects once they are permitted. They
24 will be -- I'm the Project Manager for the Energy
25 Commission during the siting process. There will be

1 someone who's assigned as the Compliance Project
2 Manager, who will be responsible in the same way that
3 I am on the site side, for making sure that all the
4 conditions are followed as the plant is constructed
5 and goes into operation.

6 And that is pretty much what I have to say
7 about the process and about the project at this
8 point.

9 We are -- staff is -- working very hard to
10 complete the staff assessment by the end of this
11 week. And if anyone has technical comments or
12 concerns that they would like to see addressed in the
13 staff assessment, this is a wonderful quorum for
14 getting some of those comments to me.

15 Anyone who is not here tonight, who wants to
16 get information to me, can feel free to call me or
17 e-mail me. My number 916-651-8836. And my e-mail
18 was given out -- kkennedy@energy.state.ca.us.

19 We also have a toll-free number relating to
20 the emergency peaker process, siting process, that
21 we're going through, and that toll free number is
22 888-871-9673 and 888-871-9673.

23 That's all I have to say. If there is
24 information people want to see, the staff assessment
25 when it comes out, or if people want to get other

1 information on this project or other projects that we
2 are considering, under the emergency process, we are
3 posting all the information on our website. We're
4 making it available on the worldwide web as soon as
5 we possibly can.

6 The web address for finding that information
7 is www.energy.ca.gov/sitingcases/peakers --
8 www.energy.ca.gov/sitingcases/peakers.

9 And the staff assessment and other documents
10 in this project, the Application for certification,
11 is already available on the web at that address.
12 Staff assessment will be available and other
13 documents and notices will also be available.
14 Thank you.

15 HEARING OFFICER REYES: Thank you, Mr.
16 Kennedy. You mentioned an issue regarding the water,
17 and someone from the water district is here.

18 Would you like to comment on that issue at
19 this time?

20 MR. BOCANEGRA: Again, my name is Joe
21 Bocanegra. Actually, my full name is Refugio,
22 R-E-F-U-J-I-O, last name B-O-C-A-N-E-G-R-A. I don't
23 know why they call me Joe.

24 I am the General Manager of Mission Springs
25 Water District, and for the record, I would like to

1 read two paragraphs of a letter submitted to the
2 Commission, and this letter was prepared by our
3 Acting Board President at today's meeting. It was an
4 urgent meeting.

5 HEARING OFFICER REYES: Would you like to
6 make that letter part of the record?

7 MR. BOCANEGRA: We have submitted it as part
8 of the packet, but I would like to read it so --

9 HEARING OFFICER REYES: I would mark as
10 Exhibit 2 the letter dated March 27th, which contains
11 attached thereto a resolution?

12 MR. BOCANEGRA: That's correct.

13 HEARING OFFICER REYES: That will be marked
14 as Exhibit 2. You wanted to highlight a portion of
15 Exhibit 2?

16 MR. BOCANEGRA: I would like to read the
17 first two paragraphs and give everybody an
18 understanding of what it is the District is
19 commenting about at this hearing, if I may.

20 "Honorable Commissioners:

21 "The Board of Directors of the Mission
22 Springs Water District respectfully submits its
23 Resolution No. 2001-14, attached hereto, as its
24 preliminary comments on the above-referenced project
25 application. As is indicated in the Resolution, the

1 District has received inadequate notice and
2 opportunity to fully review and comment on the
3 project, but wishes to emphasize that the project
4 Applicant's representations that a full,
5 unconditional water service commitment has been
6 received from the District for this Project, or for
7 any project, are inaccurate. The District's
8 conditional service commitment was based entirely on
9 the Applicant's representations that it was for a 45
10 megawatt peaking period only project, and not on the
11 Project that is currently before the Commission."

12 Going on to the next paragraph,

13 "On behalf of the District, its inhabitants
14 and the communities it represents, we request that
15 the Commission review our request and decline to
16 process this Project on an expedited 21-day review
17 pursuant to Executive Order D-26-1, and that the
18 Project be denied for its failure to provide evidence
19 of a non-interruptable source of water supply. If the
20 Commission considers approval of this Project, we
21 further request that all of the conditions set forth
22 in Resolution 2001-14 be incorporated into any such
23 approval. The District reserves its right to make
24 further or other comments and to request further
25 conditioning of the Project prior to the Commission's

1 full consideration of this Application."

2 HEARING OFFICER REYES: Would you please
3 state some of the conditions that you are
4 envisioning?

5 MR. BOCANEGRA: We have quite a list here.

6 HEARING OFFICER REYES: Are they all
7 contained in the Resolution you itemized?

8 MR. BOCANEGRA: Would you like me to read
9 them all or just kind of --

10 HEARING OFFICER REYES: Did you bring any
11 extra copies of the Resolution in the event that
12 anyone here in the audience would want to comment on
13 it?

14 MR. BOCANEGRA: I have about four or five
15 extra copies with me.

16 HEARING OFFICER REYES: If anyone wishes to
17 read those before making a comment, please do so.

18 Commissioner Keese.

19 PRESIDING MEMBER KEESE: Can you -- our plan
20 is to have 15 minutes to have parties -- can you help
21 us with getting together in a dialogue here? What
22 does the District have in mind for conditions --

23 MR. BOCANEGRA: First --

24 PRESIDING MEMBER KEESE: -- generally
25 speaking?

1 MR. BOCANEGRA: First of all, the Mission
2 Springs subbase is in overdraft. We can accommodate
3 an orderly, progressive growth of what's planned in
4 the General Plan and in the Master Plan.

5 This project is of an extraordinary size
6 that would have a large impact on the water supply
7 for the District.

8 As presented here, there is a possibility
9 that this project can operate 328 days a year at 240
10 gallons per minute, which comes out to an acre foot a
11 day or over 340-some acre feet per year. That is a
12 huge impact on the supplies of the District's water
13 source.

14 That's one of the conditions, is that prior
15 to this project being approved, that an augmented
16 source or imported water supply be made available to
17 the District.

18 We have the facilities for that; we have a
19 state contractor agency that we are part of, and if
20 water becomes available, then this project can be
21 reconsidered. That's one of the conditions.

22 PRESIDING MEMBER KEESE: So you are
23 suggesting they should take it upon themselves to
24 supply the water? They would sign an arrangement
25 with your contractor or --

1 MR. BOCANEGRA: However it is done.

2 PRESIDING MEMBER KEESE: Would they drill a
3 well?

4 MR. BOCANEGRA: That wouldn't resolve the
5 problem, because that would still overdraft the
6 basins and continue the overdraft.

7 It is imported water that we need.

8 PRESIDING MEMBER KEESE: Okay. I want you
9 to help me, because I have 21 days. You heard the
10 time frame here. We're expecting everything in by
11 Saturday -- staff report Saturday. I will write my
12 opinion Monday, and we will short on it Wednesday.
13 I know government agencies work very fast.

14 MR. BOCANEGRA: Yes.

15 PRESIDING MEMBER KEESE: As we are one. Are
16 we -- are you suggesting we could have something
17 signed up by Friday of this week to augment your
18 supply?

19 MR. BOCANEGRA: Let me state the -- it is
20 very difficult. The District joined the Desert Water
21 Agency in 1963 for the purpose of imported water
22 supplies. To date, from 1963 to date, we have
23 received zero water. So to say that in 21 days we
24 can get that accomplished is very difficult for us.

25 PRESIDING MEMBER KEESE: That's the point

1 I'm making here.

2 MR. BOCANEGRA: The facilities are there.

3 All we need to do is complete the construction of the
4 spreading grounds and make the imported water
5 available to the Colorado aqueduct. But we -- it is
6 just not available at the present time.

7 Our basin continues to be in an overdraft
8 condition. Over the last 20 years, it has gone down
9 to over 630 feet in overdraft; we can't allow that to
10 continue.

11 PRESIDING MEMBER KEESE: Thank you. You do
12 understand we're under -- we have an emergency order?

13 MR. BOCANEGRA: That's correct.

14 PRESIDING MEMBER KEESE: We are ordered to
15 implement. And it applies across the board. All
16 time lines have been waived for every process we have
17 and siting of power plants. We really are going to
18 have to make some immediate steps, so I would
19 appreciate some help in how we can focus that.

20 I mean, I recognize your problem. I mean, I
21 hear exactly what you're saying. And I just hope we
22 can figure a way to resolve that in our process here
23 without saying no plants will be built in this area.

24 MR. BOCANEGRA: The only way I can see that
25 this can be resolved is by imported water, an

1 alternate source of water. Under the current
2 condition, our basins will continue to decline, and
3 if we had more extraordinary connections like this,
4 it will accelerate the decline of the groundwater
5 basins.

6 PRESIDING MEMBER KEESE: Thank you.

7 MR. BOCANEGRA: Thank you.

8 HEARING OFFICER REYES: Will the Applicant
9 want to respond to the concerns raised, and
10 understanding that there may be additional questions
11 after the break from others from the audience?

12 MR. JONES: I understand. A couple of brief
13 points: First of all, as you mentioned, this letter
14 that they prepared for you was made available to us
15 today before the site visit, so we are still in the
16 process of reviewing the conditions they are
17 proposing for our ability to meet them or for
18 alternatives.

19 Second of all, the will-serve letter,
20 though, I guess there is a misunderstanding in the
21 understanding that they had a 45-megawatt plant; it
22 was in response to a request for 240 gallons per
23 minute, which is -- which is what we have requested
24 in our permit.

25 And so their initial will-serve letter was

1 in response to that initial request, so it is clear
2 there is a misunderstanding on how big of a plant
3 that serves.

4 Lastly, we'll make ourselves totally
5 available to the water agency to work out whatever
6 issues that we can in the upcoming days, and though
7 they may expect to see me wearing the same clothes
8 I'm wearing today, we're committed to moving forward
9 and resolving this issue.

10 HEARING OFFICER REYES: Before the break, we
11 would also like to hear from the local Air District.
12 There were two representatives. Are they still here?

13 MR. YEE: Yes, we're here.

14 Once again, my name is John Yee. I'm the
15 Senior Air Quality Engineer for the Energy Group at
16 the South Coast Air Quality Management District.

17 As you know, we, along with the Commission,
18 have received applications for this project and are
19 currently in review of this project.

20 We've actually made a preliminary decision
21 of a Notice of Intent to issue a Permit to
22 Construct.

23 We are currently -- the public's notice will
24 be published tomorrow in three local newspapers: The
25 "San Bernardino County Sun," the Desert Sun," and the

1 "Press Enterprise."

2 There are some overriding requirements which
3 are required for the Applicant to comply with before
4 we actually finalize our project.

5 Briefly, they include requiring the
6 Applicant to provide a complete offset package to us,
7 which they are currently undertaking.

8 And also, that there is a clarification to
9 the PSD modeling for the -- for the facility, and
10 with consultation with federal line managers. We are
11 going through that procedure at the moment.

12 We should have for the -- in tomorrow's
13 publication, there will be our staff assessment,
14 which will be available at the local library, at the
15 Palm Springs Public Library, tomorrow, for the public
16 to review.

17 It will also be sent to all the agencies
18 such as the EPA, ARB, the CEC, and all of the
19 concerned agencies.

20 That's about it, that I have, at the moment.

21 HEARING OFFICER REYES: One moment.

22 What is the status of the ARB emissions bank
23 and whether they plan to get offsets from them?

24 MR. YEE: The proposal, I believe -- well,
25 for this particular facility, they are required to

1 get NOx offsets and PM10. We are negotiating
2 currently on conditions for SOx, but, hard -- hard
3 facts. They do need NOx offsets and PM10 emissions.

4 The current status of the bank -- okay. The
5 current status of the bank, which was funded by the
6 ARB, appears that either the company will either get
7 ERC's from our local -- from the Air Quality
8 District, or they will get the state-funding ERC's
9 for NOx.

10 For PM10, they have requested that they go
11 through the state bank also. The state bank, I
12 believe, currently has around 22 tons a year.

13 This project is estimated to come in at 35
14 tons, so there is a balance that needs to still be
15 offset of approximately 13 tons.

16 PRESIDING MEMBER KEESE: Based on how many
17 hours of operation?

18 MR. YEE: This is based upon -- well, it is
19 based upon a 90-percent availability, which equates
20 out to about how many hours -- roughly about 7800
21 hours a year, 7884 hours per year.

22 MR. SMITH: Is the calculation offset
23 requirements based on operation of up to 500 hours
24 per year?

25 MR. YEE: We -- no. We based it on the data

1 that was supplied to us by the Applicant, and they
2 requested this amount.

3 HEARING OFFICER REYES: With the Notice of
4 Intent being published tomorrow, that would trigger
5 the 30-day public comment period?

6 MR. YEE: That is correct.

7 HEARING OFFICER REYES: The emissions that
8 you spoke about, that is going to be contained in the
9 Permit?

10 MR. YEE: Yes, it will be.

11 When you say contained in the Permit, it
12 will be contained in our analysis, and it is one of
13 the requirements that they have to fulfill before we
14 issue the Permit.

15 HEARING OFFICER REYES: So if those 13 tons
16 of credit are not found, the Permit will not be
17 granted? What will be the effect if 13 tons are not
18 found?

19 MR. YEE: That would be correct. The
20 District is currently in the process of promulgating
21 a rule which will allow the facility to purchase
22 offsets from the District at a certain rate, but that
23 rule is not scheduled to be heard until, I believe,
24 either late April or May.

25 PRESIDING MEMBER KEESE: Let me try to

1 clarify that in my mind.

2 Purchase prospectively? Is that what you
3 mean; in other words, to purchase them from the
4 District, and the District goes and obtains the
5 credits?

6 MR. YEE: Well, it will be -- essentially
7 that is the case. They will be purchasing from what
8 we call our Priority Reserve Bank. They will
9 purchase it at a value which is -- which is specified
10 in the rule. The amounts will be used by the
11 District to go out and look for projects, to reduce
12 air quality, previous ones throughout the District.

13 PRESIDING MEMBER KEESE: Thank you. I asked
14 that more generically, for this obviously is a new
15 procedure that we're going to have to become familiar
16 with on a statewide basis. And this just happens to
17 be one of the first cases where we're dealing with
18 the bank, and for us to understand the parameters of
19 the banking.

20 Your local air districts are the ones that
21 are really going to have to administer, along with
22 the Air Resources Board, but remember, you have to
23 understand our process, and I'm trying to get my
24 hands on yours.

25 HEARING OFFICER REYES: What would happen

1 before the adoption of the rule? You spoke about
2 what would happen once it is adopted.

3 MR. YEE: Once -- before it is adopted

4 HEARING OFFICER REYES: With the Applicant
5 that's before us, and their Permit, before you,
6 what happens when the 30-day period applies?
7 That would still be April?

8 MR. YEE: It will still be April. They will
9 -- we are -- that's a very good question.

10 We're caught in between, whether the rule
11 actually goes and becomes adopted, and how they are
12 going to actually get their offsets.

13 That's kind of an unknown at this moment.
14 They -- they could attempt to purchase offsets from
15 the general market for people that actually hold
16 ERC's for PM10.

17 The PM10 market, as I understand it, is very
18 limited at this time in the South Coast Air Basin.

19 HEARING OFFICER REYES: Will the District
20 issue the Permit at the end of 30 days if they don't
21 have the --

22 MR. YEE: If they don't have the offsets, I
23 don't know if we can legally issue the Permit.

24 HEARING OFFICER REYES: May we hear from the
25 Applicant at this point?

1 MR. CARROLL: Thank you. Mike Carroll from
2 Latham & Watkins on behalf of the Applicant.

3 Let me just try to clarify a couple of
4 points.

5 First, with respect to the public notice,
6 although the newspaper had indicated to the South
7 Coast District that if the Notice was submitted to
8 the newspaper on Friday of last week -- which it
9 was -- it wouldn't be published until Wednesday, we
10 were able to pull some strings with someone at the
11 newspaper who was interested in seeing the generation
12 of Palm Springs. I believe the notice was published
13 on Sunday, this past Sunday, so the notice is a few
14 days ahead of schedule; I just wanted to clarify that
15 point.

16 With respect to the offsets, let me lay out
17 the Applicant's plan for ensuring that we have all
18 the required offsets in place so that the Permit can
19 be issued by the District.

20 As was mentioned with respect to the NOx
21 offsets, the plan is to obtain all of those from the
22 CARB bank, which was established pursuant to the
23 Governor's executive orders for the South Coast
24 portion of that bank, is now being administered by
25 the South Coast District itself, so we have submitted

1 a letter both to the California Air Resources Board
2 and the South Coast District, indicating the
3 quantities of NOx offsets that are required and
4 requesting that those be granted from the CARB bank
5 now administered by South Coast.

6 We have done the same thing with respect to
7 the PM10 emissions, but the District staff mentioned
8 the current allocation of PM10 in the CARB bank for
9 the South Coast is less than what's needed for this
10 project.

11 We've had conversations with California Air
12 Resources Board staff, and Beverly Warner indicated
13 that the Resources Board is looking into a second
14 round of allocations of PM10.

15 We don't know whether or not that will
16 happen for sure, or what the quantity will be, but
17 that's one of the avenues we are pursuing for making
18 up this third additional 13 tons.

19 The other avenue that we are pursuing, as to
20 the one that was mentioned by the staff, Rule 1309.1,
21 which is the District's Priority Reserve, includes a
22 supply of offsets that have traditionally been
23 available only to essential public services.

24 The proposed amendments that were discussed
25 would expand the scope of essential public services

1 to include electric generator facilities.

2 My understanding is there is something on
3 the order of 42 tons per day of PM10 offsets
4 available in the priority reserve.

5 Our understanding is that those amendments
6 will be coming before the South Coast AQMB Governing
7 Board on April 20th, and we hope they will approve 42
8 tons per day would be available to the Project.

9 If neither of those two alternatives should
10 bear out, then we go to the market and buy PM10
11 emission reduction credits, which are available on
12 the market. We're not talking about a huge quantity
13 here; 13 tons. We're relatively certain we can
14 acquire those on the market in a short time frame if
15 we had to do that.

16 So, again, the three options for making up
17 that 13-ton gap would be an additional allocation for
18 the CARB bank; amendment to Rule 1309.1 which allows
19 us to act as the priority reserve; and third is going
20 to the market to buy PM10 emission reduction credits.

21 And we would anticipate doing that in a time
22 frame that would allow the Permit to be issued on
23 time.

24 PRESIDING MEMBER KEESE: And on time is 30
25 days from Sunday?

1 MR. CARROLL: Yes. Of course, if --

2 PRESIDING MEMBER KEESE: Clock started
3 running Sunday?

4 MR. CARROLL: On time, 30 days will be 30
5 days from Sunday.

6 HEARING OFFICER REYES: Mr. Carroll, before
7 you depart, do you have any evidence that this was
8 published on the 25th? Is there proof of --

9 MR. CARROLL: I don't have it in my hand,
10 but we were given high-level assurances, and what we
11 will do -- and I apologize, I don't have it with me
12 tonight. We will get a copy of it and submit it for
13 the record so that we have it and there isn't any
14 question about it.

15 HEARING OFFICER REYES: All right. Now we
16 will --

17 MR. KENNEDY: If I can could add one thing
18 that I sort of left out that might help and explain
19 some of this exchange for members of the public who
20 haven't sort of been as immersed in this as all of us
21 up at the table.

22 One thing that I mentioned in passing when I
23 was discussing the Energy Commission staff's Role in
24 reviewing this project is that we have been working
25 closely with numerous agencies. The South Coast Air

1 Quality Management District is one, and in
2 particular, it has a particularly key role in this.

3 The air permits for this project have
4 requirements both under the Federal and State Clean
5 Air Act. The local Air District is responsible,
6 under the Federal Act, and our working relationship
7 on these emergency projects with South Coast and the
8 other local districts is to rely on the District, for
9 the air quality analysis on these projects.

10 The discussion of the 30-day clock, one of
11 the Federal requirements is for a 30-day public
12 notice on the Proposal to Construct, and that is what
13 we are talking about with the 30-day clock.

14 We're trying, on these emergency projects,
15 to get the air quality portion of these projects
16 started sooner than our portion of it so that the
17 30-day clock and the 21-day clock match.

18 It didn't quite work in this case, and we're
19 sort of working out the working relationship, but,
20 particularly on behalf of the Energy Commission
21 Staff, I want to thank the efforts -- thank the staff
22 of South Coast for your hard work on this. And I
23 think we have a good working relationship with South
24 Coast and many of the other agencies that, in
25 addition to us, are being required to act very fast

1 on these projects.

2 HEARING OFFICER REYES: Mr. Yee, one
3 additional question with respect to Public Health.
4 Is the District satisfied with the health risk
5 assessment as provided by the Applicant?

6 MR. YEE: Yes. We did review the modeling
7 health risk assessment. As you know, we have a rule
8 specifically for carcinogenic risks, as Rule 1401.
9 Our modeler did review it, and he concurred
10 that it was below the thresholds of significance, in
11 our rules.

12 HEARING OFFICER REYES: Thank you. And we
13 will now take our short break, again, as earlier
14 stated to allow some further informal discussions,
15 and for the formulation of written comments.

16 Once you have completed the yellow cards,
17 would you please keep -- yellow -- I guess I'm seeing
18 blue and I'm thinking yellow -- once you complete the
19 blue cards, please give it to a member of the Public
20 Advisor's staff, and they will give it to us.

21 Thank you.

22 (Recess taken.)

23 HEARING OFFICER REYES: If everybody would
24 please come back, we're about to start. We're about
25 to begin.

1 We will start with a brief statement from
2 the Public Adviser, Mr. Perkins.

3 MR. PERKINS: Thank you. Chairman Keese,
4 Members of the Hearing Board, and Members of the
5 Public, my name is Doug Perkins, and I'm here tonight
6 representing Roberta Mendonca, the Energy
7 Commission's Public Adviser, the party that's been
8 assembled to assess, in this siting of energy plants,
9 required to address California's energy crisis.

10 Our role is to assist you, the members of
11 the public, in the understanding this emergency
12 energy commission siting process and to assist you
13 who want to participate in the process.

14 My office is in San Diego. The Public
15 Adviser's office is in Sacramento. We can be reached
16 by the public telephone number which I gave before,
17 1-800273-4459, or at two e-mail addresses
18 PAO@energy.state.ca.us or my personal e-mail at
19 DP@pacgateway.com.

20 As members of the public, you have an
21 absolute right to participate and comment on this
22 proposed facility herein Indigo.

23 The Energy Commission encourages your public
24 participation and welcomes all types of input.
25 Hopefully, many of you here tonight have opinions and

1 comments on the project.

2 These opinions and comments will form an
3 important source of information for the Energy
4 Commission's staff as they perform their independent
5 analysis of the proposal.

6 Because this is an emergency case, you've
7 heard tonight the final hearing. The adoption
8 hearing will be held in Sacramento on April 4th.

9 To make sure that your comments are
10 considered, please fill out a blue card, if I haven't
11 given you one already, and get your comments
12 forwarded to the Energy Commission staff by
13 Thursday.

14 If you want information on how to
15 participate in the process or you have questions,
16 please call us.

17 I have provided some materials in the back
18 for additional information. If you need it, a copy
19 of the Application you heard tonight is in the local
20 library, and also you can access that Application on
21 the Energy Commission's website.

22 The fastest way -- and I want to make sure
23 everybody listens carefully -- for you to get updates
24 on this project is to give your e-mail address at the
25 Energy Commission List server, located on the

1 website. And that's www.energy.ca.gov/html/list
2 [servers.html](http://www.energy.ca.gov/html/list).

3 The blue cards which I've mentioned earlier
4 are important for those who want to speak tonight.
5 We ask that if you have questions that you'd like to
6 have addressed at sometime either in the hearing or
7 before the final adoption hearing that you list those
8 questions on the back of the blue cards.

9 They're used to help the Energy Commission
10 and the hearing tonight determine how much time we
11 need to leave for public comment and how much time we
12 need to leave to get the questions answered.

13 If you still need a blue card, I'll be
14 standing on the side before the speakers come
15 forward. We look forward to working very closely
16 with all members of the public, and please give us a
17 call if you have any procedural questions.

18 Thank you very much.

19 HEARING OFFICER REYES: We will now have a
20 statement from Mayor William Kleindienst. Please
21 step forward.

22 MR. KLEINDIENST: Good evening, Mr.
23 Chairman, Members of the Hearing Committee.

24 I appreciate very much the work the CEC is
25 doing. We commend your vision and your aggressive

1 action in addressing this incredible crisis that is
2 facing the great state of California.

3 We are here to encourage the work you are
4 doing. We support the path you are taking, and we
5 wish to express that support in a number of ways: We
6 have taken action in two meetings to discuss, to
7 investigate, and to evaluate the project.

8 The meeting of last week, we took action to
9 make zone changes and amend a number of our
10 ordinances to afford the opportunity from the local
11 jurisdiction's standpoint of the opportunity to allow
12 this peaker plant to be built within our
13 jurisdiction.

14 We know that California is facing an energy
15 crisis, and we need to ensure that the supply of
16 energy, electricity, meets us on a near-term
17 solution.

18 This is, from our standpoint, one of the
19 best possible ways in which to do so. We believe
20 that peaker plants are the best available technology
21 available today.

22 There is a balance. As we all well know,
23 there is a balance, and the balance is to, of course,
24 deal with the environmental concerns and the energy
25 needs.

1 We are comfortable, though, through our
2 evaluation in working with HUMD and the Mobile Source
3 Air Pollution Reduction Review Committee and with
4 CARB.

5 With regard to the ERC, we believe that
6 these credits can be produced to offset any emissions
7 produced by this plant.

8 I serve this city as the mayor, but I serve
9 on roughly 12 to 15 committees regionally within
10 Southern California. I have the honor and
11 distinction of working as the Chairman of MSRC.

12 We have recently taken action at that level
13 to offer through HUMD to CARB a number of projects
14 that already, if you will, are to be built, to assist
15 us in financing buy-downs for mobile source
16 pollutants to take off diesel-burning vehicles and
17 get them into alternate fuel.

18 It was also a recommendation in our motion
19 of MSRA to be given to CARB, if in fact there are to
20 be these offset credits available, and there are to
21 be funding available, we ask the jurisdictions that
22 are working with you in trying to build these peaker
23 plants, that they be afforded this new funding.

24 We realize, of course, CEC is not in charge
25 of the funding through CARB, but we ask for that

1 consideration to be carried forth from this public
2 hearing to CARB; that we have been -- those who are
3 assisting you in dealing with this crisis should be
4 in some way comforted by knowing that, so dollars
5 made available can be brought back to the
6 jurisdictions that are most affected by the plant.

7 We believe strongly that this plant will in
8 fact produce, for all practical purposes, a
9 tremendous amount of energy.

10 Our first question, when we were brought
11 this project two weeks ago, was why not build 900
12 megawatts?

13 We are standing before you today ready to
14 assist you in not only this plant of 135 megawatts,
15 but if in fact you had the ability to bring us more,
16 I believe, speaking for my Council, we stand ready to
17 serve that need here.

18 We understand this tragedy that is facing
19 the great State of California is something that some
20 of us saw earlier in our careers and took note of it,
21 but convincing some was a little more difficult at
22 times.

23 That being said, it is history. Today we
24 are faced with probably the greatest challenge this
25 state has seen in this modern day, and we stand

1 before you ready to assist you in any way possible.

2 We support the plant, commend the developer,
3 and we would like to be the first city in the State
4 of California to have a peaker plant up and
5 operational to help you serve the need of this great
6 state.

7 I stand before you to answer any questions
8 you have, sir, or address any concerns you might
9 have.

10 HEARING OFFICER REYES: Thank you.

11 PRESIDING MEMBER KEESE: Mr. Mayor, thank
12 you. You put a pretty clear position in front of us.
13 I don't have any question about what your position
14 is.

15 MR. KLEINDIENST: Thank you.

16 HEARING OFFICER REYES: We will now hear
17 from the Mayor of Desert Hot Springs, Mr. Matt
18 Weyuker. Please step forward.

19 MR. WEYUKER: Hi, Bill. Good evening,
20 everybody. We're -- we know that you have a long
21 agenda, and there is 70 or 80 speakers that want to
22 speak following me, so I won't keep you for more than
23 an hour. But I appreciate the opportunity to come
24 here tonight and express to you mixed feelings.

25 We both support the need that California has

1 for more energy, and we know that this plant will
2 produce that. We're sensitive to the issue, and we're
3 also sensitive to the fact that our Water District,
4 which serves our citizens, has some concerns about
5 the reduction in the available water to those who
6 already live in Desert Hot Springs.

7 They are telling us that -- that if -- if
8 the peaker plant were to turn out to be more than a
9 peaker plant but a plant that would be operational
10 328.5 days, as the 90-percent usage indicates, you
11 would use 4,000 acre feet in a year.

12 And our concern is that if our Water
13 District cannot get additional water to offset that,
14 then growth plans that our City has in that end of
15 the world -- we abut that. Our -- our city
16 boundaries come pretty close to this plant. But we
17 have plans for the north -- northwest and western end
18 of our city.

19 There are some major developments that are
20 going to be built there, and the lack of water would
21 impact that tremendously. So we have some concerns,
22 and hopefully, the Water District, with maybe your
23 help, can latch onto the Colorado River water and
24 replenish, recharge, the water.

25 Also, while our City is pretty well known

1 for its water, we also jokingly are known for our
2 therapeutic breezes that blow in through the pass.
3 The wind moves in from the east and -- I'm sorry --
4 from the west and southwest to the east and
5 northeast, and goes toward our city, so, of course,
6 we are concerned about any kind of emissions and also
7 any kind of hazardous materials this plant will
8 produce.

9 We are aware that you're safety conscious,
10 and we're aware that the Air Quality Control District
11 also is safety conscious, but we have the best air in
12 the valley, because we're up a little higher, and the
13 wind blows in our direction, so we're concerned about
14 that.

15 And we're also concerned about the traffic
16 impacts. The Coachella Valley Association of
17 Governments, that I serve on the Executive Committee,
18 indicates that both the Indian off-ramp on I-10 as
19 well as the Palm Drive Gene Autry off-ramp will be
20 impacted by the increased traffic. And we may need
21 traffic studies to find out just what the impact
22 might be.

23 We have a lot of traffic there now, people
24 who come and go in and out of Desert Hot Springs, in
25 and out of Palm Springs to go to work and go home.

1 There is a tremendous amount of traffic, at least for
2 us. It is not like Los Angeles where, you know, you
3 can walk and make better time; it's that, for us,
4 traffic that is lined up sometimes a half a mile each
5 side of that freeway trying to get on or get off or
6 get across.

7 So anything that you add in that area is
8 going to impact traffic, and we think those studies
9 need to be taken care of.

10 So those are our concerns. They're
11 concerns. We are not saying we're opposed to this
12 project; we know that we need energy, and we know
13 that we need it fast.

14 We heard about the Public Utilities
15 Commission today increasing the -- the cost of energy
16 to the average person. It's going to be -- I think
17 it is going to be downright overwhelming for some
18 people, a lot of the poor people, and a lot of the
19 older people in our community who can't afford it now
20 are not going to be able to afford it in July and
21 August when their electric bills or 400 dollars and
22 500 dollars, and that's what you're looking at.

23 But that's not -- that's not your problem.
24 That's going to be a problem that we're all going to
25 have to face. But the fact that you are working so

1 hard and working so quickly to help get us this plant
2 as quickly as possible speaks highly of you, and I
3 applaud your effort. I think it is a major one, and
4 I know you guys are under the gun. I don't envy you.

5 Just listen to the concerns that people
6 have, and hopefully you can help us, and maybe we can
7 help you.

8 We stand ready to do that, and I thank you
9 very much for your time. Any questions, I'll be
10 happy to answer.

11 PRESIDING MEMBER KEESE: Thank you, Matt.
12 How far would you say Desert Hot Springs is from the
13 Indigo Plant? Are you talking about five miles?

14 MR. WEYUKER: Well, Downtown Palm Springs,
15 Downtown Desert Hot Springs, about four, four and a
16 half miles.

17 PRESIDING MEMBER KEESE: Thank you.

18 MR. WEYUKER: Any other questions.

19 Thank you very much. Good to see you,
20 Bill.

21 HEARING OFFICER REYES: We do have some
22 questions from Mr. Mark Wolf with Coral, and these
23 will be addressed to Mr. Kennedy.

24 PRESIDING MEMBER KEESE: Please explain how
25 the Commissioner will decide how long the license

1 term for the project will be.

2 MR. KENNEDY: The license that we are
3 looking at for this project, that we are in an
4 emergency permitting process, and the Energy
5 Commission is looking at a contract life for projects
6 that have a contract with the California Department
7 of Water Resources to sell the power to the State,
8 but the project, the license would be for the life of
9 the project, as long as the project met a number of
10 criteria at the end of the contract with the DWR.

11 Those criteria are that it meets the Best
12 Available Control Technology and has received -- has
13 come up with its permanent air emission offsets; that
14 it has stayed in compliance with all the Energy
15 Commission's conditions of certification in the
16 original license; that the project has site control
17 for the life of the project; and that the project is
18 a permanent facility, not one that would just be
19 trucked down, something like that, but a permanent
20 facility.

21 If it -- for projects under this process
22 that do not have a contract with the California
23 Department of Water Resources to sell the power, then
24 we are looking at a three-year permit, and the
25 Applicant in that case would have to come back to the

1 Commission for a new decision for recertification to
2 extend the life beyond three years.

3 PRESIDING MEMBER KEESE: The second part of
4 the question, actually, what is the status of the
5 Applicant's negotiations with the California ISO and
6 DWR, do you want to answer that, or do you wish the
7 Applicant to answer that one?

8 MR. JONES: The project -- or our affiliate,
9 Coral Power, has five contracts each for
10 approximately 45 megawatts with the California ISO,
11 and we are currently in negotiations with the DWR for
12 replacing those contracts with longer-term contracts
13 with the DWR.

14 PRESIDING MEMBER KEESE: Any idea --

15 MR. JONES: Well, I think we're --

16 PRESIDING MEMBER KEESE: Are we going to
17 have them by April 4th?

18 MR. JONES: We expect that we will have a
19 letter of intent signed with the DWR by April 4th,
20 which is consistent, I believe, with the status of
21 other applicants who have also been in negotiation
22 with DWR.

23 Just the prospect of completing the contract
24 of the longer-term contracts will extend past them,
25 but we expect to have a letter of intent executed

1 before that time.

2 PRESIDING MEMBER KEESE: Okay. So, my final
3 question is dual, I think. Will staff need to see a
4 final executed contract before recommending a license
5 term, or will the notice -- will the --

6 MR. JONES: In our current state, we meet the
7 first criteria, which is that of we have an ISO
8 contract currently binding and in effect, so I think
9 we meet this criteria already, but I'll pass it back
10 to you.

11 MR. KENNEDY: I will need to double-check on
12 that, but I believe that we will be able to recommend
13 the term of contract based on the ISO Contract.

14 PRESIDING MEMBER KEESE: Thank you.

15 Before -- we're on the verge of public
16 comment here, but before we do that, because we
17 really didn't have a discussion of it, we -- we had
18 the Air District tell us there was no impact -- I
19 don't remember exactly what the clarifying term
20 was -- but, such was noted, and was staff in
21 agreement with that?

22 MR. KENNEDY: In terms of the air impact in
23 particular, or --

24 PRESIDING MEMBER KEESE: The air impact,
25 correct.

1 MR. KENNEDY: Yes. The Energy Commission
2 staff is fully relying on the local air districts in
3 these projects for the --

4 PRESIDING MEMBER KEESE: Would you tell us
5 -- why don't you give us a couple minutes on what we
6 would see out of this plant: How will the emissions
7 leave this plant? How will they enter the
8 atmosphere? And where will they go?

9 Or would you like the staff or the
10 Applicant to tell us?

11 MR. KENNEDY: I think maybe the Applicant or
12 someone from South Coast may be in a better position
13 to -- to at least give a --

14 PRESIDING MEMBER KEESE: Just general, so
15 that the public can understand.

16 MR. JONES: Sure. Okay. If I'm to
17 understand the question, you're looking for --

18 PRESIDING MEMBER KEESE: These plants are
19 going to have emissions.

20 MR. JONES: Yes.

21 PRESIDING MEMBER KEESE: How do they enter
22 the atmosphere? Do they stay on the ground? Do they
23 rise?

24 MR. JONES: Very good.

25 What are the characteristics of these?

1 The fact that they're coming out of a
2 simple-cycle plant is that the exhaust gases are very
3 hot. And there is a result that the emissions come
4 out of the plant and go up like a weather balloon, so
5 they go up rather than settling on the ground.

6 As far as the modeling of, you know, how
7 high they go, how long it takes them to disperse, I
8 prefer to defer to one of my colleagues, if I could.

9 Or is that -- does that answer your
10 question? Or would you like a more detailed
11 response?

12 PRESIDING MEMBER KEESE: I'm only looking
13 for a generic, and you've given me part of it.

14 It blows downwind. The downwind is moving
15 east; is that --

16 MR. JONES: That's right.

17 PRESIDING MEMBER KEESE: I'm sure that's one
18 of the questions from the audience, and I was trying
19 to handle this generically here so people can focus.

20 MR. JONES: Let me give you a more specific
21 response.

22 MR. CARROLL: I'll give sort of an
23 overview, and you can tell me if you want --

24 PRESIDING MEMBER KEESE: The only thing,
25 don't get technical here.

1 MR. CARROLL: Let me try to keep this
2 generic. I know that there are always concerns of and
3 questions about Public Health impacts.

4 Included in the Application to the South
5 Coast Air Quality Management District, which was
6 evaluated by the staff, was a Health Risk Assessment
7 that looked at the impacts of both potential
8 carcinogenic compounds and non-carcinogen toxic
9 compounds, respiratory impacts, that sort of thing.

10 All of the risk levels associated with the
11 Project were well below a significance level
12 associated with those.

13 With respect to carcinogen compounds, the
14 significance level is one in a million. The risk
15 from the plant was 0.1314 to a million, obviously
16 significantly below one in a million.

17 With respect to non-cancer compounds, where
18 the significance level is a hazard index of 1, the
19 risk from the plant is 0.00065 -- I'm sorry -- 665.

20 So, with respect to the health risk
21 assessments that were done, the risks from the plant
22 were determined to be far below the significance
23 level.

24 PRESIDING MEMBER KEESE: That's anyplace
25 downwind from --

1 MR. CARROLL: Those are at the points of
2 maximum impact. Those would be the receptor
3 locations where you would have the highest impact
4 from the plant.

5 PRESIDING MEMBER KEESE: Thank you. I think
6 that answers my question very well.

7 MR. CARROLL: I should mention, both of
8 those points, the highest impact occurred were not
9 near residences; they were out in the middle of the
10 desert, basically.

11 PRESIDING MEMBER KEESE: Thank you. Do you
12 want to take our speakers?

13 HEARING OFFICER REYES: Yes. These are the
14 individuals who have requested to make a public
15 statement.

16 We'll start in the order in which they were
17 handed to me. The first person, Patrick Swarthowt,
18 and if you would please restate your name and spell
19 it as you talk to these people, to the mike.

20 MR. SWARTHOWT: Fantastic. Will do.

21 Good evening. I'm Patrick Swarthowt,
22 S-W-A-R-T-H-O-W-T, and I'm here representing the
23 Building Industry Association, Desert Chapter.

24 Unfortunately, I hate to start off with
25 this, but we did not have enough information at our

1 Board Meeting in March to take formal action on
2 this. However, we supported it in concept, and I am
3 going to go out on a limb and say if we had had the
4 information, we would have supported a resolution
5 here with that.

6 In listening to the time frame that you have
7 on making a decision on this, our Board meeting is
8 next Thursday. Sounds to me like you are going to
9 have a decision already written up by the time we can
10 have action taken.

11 We do support it in concept. The building
12 industry believes this is something that's necessary
13 for continued development and growth in this area,
14 especially in this area where there is a factor of
15 heat, and we need electricity maybe a little more
16 than other parts of California.

17 And with that, if there are any questions, I
18 would be happy to answer them.

19 PRESIDING MEMBER KEESE: Thank you. I think
20 that's a very nice, expeditious presentation of your
21 point of view.

22 HEARING OFFICER REYES: Next, William
23 Thomas.

24 MR. THOMAS: My name is William Thomas, last
25 name T-H-O-M-A-S, and I have a list of 37 different

1 chemicals that are going to be coming out of that
2 power plant that I got from the EPA's web page. And
3 I would like to read those chemicals.

4 It's methyl --

5 HEARING OFFICER REYES: Before you proceed,
6 Mr. Thomas, do you have those on a list that we could
7 take with us?

8 MR. THOMAS: Yes.

9 HEARING OFFICER REYES: Could you let me
10 have it so I can mark it, and then I will save you
11 listing them. If you want to highlight some -- but
12 you might have to stay a long time after the hearing
13 over to give the spellings to the reporter. Just
14 anticipating.

15 MR. THOMAS: Okay. I can give you a list.

16 HEARING OFFICER REYES: If you wish, they
17 could be part of the record, and we'll consider it.

18 MR. THOMAS: Okay.

19 HEARING OFFICER REYES: Then you could go on
20 with your statement, assuming that those, that the
21 chemicals, are part of the record.

22 MR. THOMAS: Okay.

23 HEARING OFFICER REYES: Thank you. And I
24 will mark as Exhibit 3 the two-page document that is
25 entitled, "Summary of Emission factors for AP-42

1 Section 1.4." That's the heading on the document.

2 MR. THOMAS: Okay. The emissions from the
3 plant concern me. I live in Desert Hot Springs, and
4 the emissions from the plant concern me since I'm --
5 I will be living downwind from the plant. That's one
6 of the reasons I'm here.

7 I am not against the plant producing power;
8 I'm just against the plant using natural gas in the
9 way they are using it to produce power.

10 There are alternatives, which I will give
11 the Commission, that I also have here -- and they
12 are photovoltaics, which could be used during the
13 summer, whenever one complains about their air
14 conditioning -- the air conditioner is running all
15 the time, and their power bills being so high.

16 Generally there is no clouds; the sun is out
17 full and everything else, and they can put
18 photovoltaics in, and I read something that said that
19 60 square miles of photovoltaics would be enough to
20 power the whole United States for one time. Okay.

21 The next thing I want -- I want to discuss
22 is natural gas fuel cells. I would like to read this
23 paragraph here. This is from the Federal Energy
24 Management Program.

25 It says that a natural gas fuel cell energy

1 system is a simple, reliable way to improve natural
2 gas utilization and efficiency. The technology
3 converts natural gas into electricity to provide a
4 quiet, clean, and highly efficient on-site generation
5 system and thermal energy source.

6 They can or do reduce facility fuel service
7 caused by 20 percent to 40 percent of conventional
8 energy services.

9 And natural gas fuel cell utilizes an
10 alternative co-generation technology for improving
11 natural gas utilization and efficiency.

12 The natural gas fuel cell is environmentally
13 friendly, a fossil fuel generator with cleaner
14 emissions than the ambient air in some cities.

15 Natural gas fuel cells can serve effectively
16 as an on-site energy supply to meet the needs for
17 base load electricity, heat, and hot water, while
18 local electric and natural gas utilities provide for
19 energy demand beyond the natural gas fuel cell
20 capacity.

21 I would --

22 PRESIDING MEMBER KEESE: Mr. Thomas, in
23 preaching to this community, you are preaching to the
24 choir.

25 The Energy Commission is charged with

1 increasing the use of photovoltaics and increasing
2 fuel cells, the use of fuel cells, and we are very
3 strong advocates of both.

4 Photovoltaic production of electricity is
5 increasing 25 percent a year around the world, and a
6 little slower than that in California, but, we are
7 working on fuel cells, which is going to be
8 introduced in California in the next year.

9 However -- and I believe that long range, we
10 must go with both of those. In the short term, to
11 generate the amount of power that we're talking
12 about -- and this project will supply the energy
13 needs of 135,000 people -- we don't have the -- the
14 for fuel cells, we're not quite there yet. We haven't
15 tested them, finally.

16 And for photovoltaics, we don't have the
17 capital resources or the manufacturing facilities to
18 do it and have something in line or on line in three
19 months, so, I applaud your statement, because we at
20 the Energy Commission categorically agree with what
21 you have just said. If we could not burn fossil
22 fuel, and use those, we'd be much, much better off.

23 MR. THOMAS: I was reading in here, I think,
24 they have got them up to about 100 megawatts, fuel
25 cells.

1 PRESIDING MEMBER KEESE: I'm on the Natural
2 Fuel Cell Coalition. I'm very familiar with exactly
3 what we're doing in fuel cells. They're -- and
4 some are operating -- they're still operating at
5 about two and a half times what we're paying for
6 electricity in California today.

7 So, if you want to see your bill triple, we
8 can go with fuel cells today. Hopefully, tomorrow,
9 we can go and lower the cost of fuel cells, and with
10 photovoltaics, I'm sure we're going to get there.

11 I'm sorry to comment now, but these are
12 issues about which we feel probably as strongly as
13 you do.

14 But, in the meantime, we have to keep the
15 lights on for 135,000 people this summer.

16 MR. THOMAS: The point I'm trying to get
17 across is we've already got the windmills out there
18 in the desert. If we include the windmills and
19 natural gas fuel cells and photovoltaics, we should
20 be able to produce whatever electricity we need.

21 PRESIDING MEMBER KEESE: I think our
22 analysis suggests we use the flat roofs of all the
23 commercial buildings that are in strip malls, that we
24 can supply California's needs. We can just do it
25 right on the roofs there, so, yes, there are

1 possibilities here, and we're working towards it.

2 We're -- we're going to have to get a program.

3 I think we've just about hit your five

4 minutes. Thank you.

5 HEARING OFFICER REYES: Next up we have --

6 and Mr. Thomas has handed us a copy of what appears

7 to be downloaded information from the website of --

8 the title of the document is, "Photovoltaic

9 Manufacturing Technologies," and that will be marked
10 as Exhibit 4.

11 Next we received a card from Mr. David

12 Pendergrass. He states, "I am in support of the

13 proposal to allow the construction and operation of
14 the power plant."

15 He did not check the box wishing to

16 comment.

17 Having read this, do you wish to make any

18 other comment, Mr. Pendergrass.

19 I not see anyone stepping forward to make

20 additional comments as Mr. Pendergrass.

21 Henry Orlosky.

22 MR. ORLOSKY: My name is Henry Orlosky,

23 O-R-L-O-S-K-Y, and with me is Mr. Gary Anderson, and

24 the reason we came to the meeting is primarily to

25 learn about this process.

1 We -- we own a power plant site north of
2 here. It's approximately 35 miles north of
3 Victorville. It's the old solar development sites.

4 We think this is a great forum to learn how
5 power permitting is done, and so that's -- that's the
6 primary reason we're here.

7 But I also wanted to comment that we realize
8 the crisis that California is under, and all of us
9 pay a higher electric bill if we don't approve peaker
10 plants, so we both support your effort and we support
11 the efforts of these people trying to implement more
12 generation for California to reduce some of the
13 burden on our electrical needs.

14 I just might note one final point, that if
15 there is anyone here in the audience that's looking
16 for additional peaker sites, you might want to
17 contact us after the meeting.

18 We have plenty of water available up there,
19 by the way. Thank you.

20 PRESIDING MEMBER KEESE: Thank you.

21 HEARING OFFICER REYES: Thank you. Next is
22 Michael Bracken.

23 MR. BRACKEN: Good evening, Mr. Chairman.
24 Mike Bracken. I'm the President and Chief Executive
25 Officer of the Coachella Valley Economic Partnership

1 and also Governor Davis's appointee in the two-county
2 region to the California State Technology, Trade and
3 Commerce Agency.

4 I was speaking, as far as by way of
5 introduction, with the Secretary last week of
6 Technology, Trade and Commerce that California faces
7 a deficit of approximately 7,000 megawatts this
8 summer, and if you approve this project at 135
9 megawatts, that means you only have 50 meetings just
10 like this to attend to solve California's electric
11 problem.

12 I do want to state a couple things, one with
13 respect to the water concerns. I would hope that
14 your recommendations, staff's recommendation, that
15 you approve do provide some influence back to the
16 various water resource agencies to potentially
17 provide some incentive of the California Aqueduct
18 back to those communities and water districts that at
19 the site only peaker plants but a permanent
20 production facility.

21 Coachella Valley, as you know, Mr. Chairman,
22 has really been at the forefront of looking at
23 alternative fuels and whatnot for a number of years.

24 This region here is the home of the first
25 mass transit fleet to convert to 100 percent

1 alternative fuels.

2 This region is the home of the Department of
3 Defense Truck Project for the 21st Century, with the
4 Fuel Cell Truck Project.

5 This region is also the home of two of the
6 three largest electric car manufacturers in the
7 nation.

8 With that being said, back to the water
9 issue for a quick second. You are balancing
10 potentially the needs of water for 328 homes, as I
11 understand -- of course, the generally accepted
12 calculation is one acre foot per family per year --
13 versus the power needs for approximately 50,000
14 families, so I'm assuming we all know which should be
15 the priority.

16 Today I come before you as well to provide
17 you with letters of support on behalf of the
18 Coachella Valley Economic Partnership.

19 The Partnership, to give a little bit of
20 background, is an economic development corporation
21 for this region, a private-public corporation, that
22 includes all nine of the city jurisdictions within
23 the Coachella Valley, the County of Riverside, the
24 town of Yucca Valley, and also two tribal
25 jurisdictions.

1 You are probably aware that this region has
2 a number of tribal jurisdictions, and I will provide
3 you for your record -- and I assume, if I'm counting
4 correctly -- Exhibit 5, if you so accept it, letters
5 of support not only from the Economic Partnership on
6 behalf of its 120 investors, but also individual
7 letters from a number of our investors.

8 If you do have any questions regarding the
9 region, which is now producing back to the State of
10 California about 2.5 billion dollars annual payroll.

11 Our region, of course, is extremely
12 dependent on electricity, not only because we're a
13 tourism Mecca in the world playground, but quite
14 frankly, you might suspect it gets a little warm here
15 in the summer.

16 In fact, in talking with my colleagues this
17 afternoon, we kind of decided, somewhat
18 halfheartedly, if you were to reject this project, we
19 would be more than happy to invite you and members of
20 your committee back here for a weekend stay in August
21 at our expense.

22 So, I do wish you luck as you go through
23 this process and avail myself to you, Mr. Kennedy,
24 and I do want to let you know you'll be getting a
25 call first thing from the general manager of this

1 region, which, of course was also one of the first --
2 in fact, the first in the nation, to go to attainment
3 status with respect to PM10 through the Federal EPA.
4 You will be receiving a call from him because he is
5 researching, as we speak -- I talked to him, as I
6 said, about the hearing, about what and how many
7 credits he has as part of their PM10 programming,
8 because they are a PM10 recovery program.

9 As part of the region, I wanted to have an
10 opportunity to say I hope you enjoy your stay here in
11 Palm Springs, and I wish you luck the rest of your
12 time.

13 HEARING OFFICER REYES: Thank you.

14 I will mark the letter collectively as
15 Exhibit 5.

16 Mark Wolf.

17 UNIDENTIFIED SPEAKER: Mark is gone.

18 HEARING OFFICER REYES: Miles Barrett.

19 MR. BARRETT: Good evening, Mr. Chairman,
20 Members of the Commission. My name is Miles Barrett,
21 B-A-R-R-E-T-T. I'm a resident of Palm Springs and a
22 business owner in Palm Springs. I also have been a
23 wind-energy developer since the industry's beginning
24 in 1983.

25 And I don't want to take much of your time,

1 but I'm a little concerned of some of the statements
2 that were made by representatives from Desert Hot
3 Springs, and I would like to just add my take on it.

4 As a wind-energy developer since 1983, I do
5 know the wind out here, and I know it intimately.
6 The wind, to say, in Desert Hot Springs is downwind
7 of where this project is sited is in some sense
8 correct, because it is east of where the project is
9 located. But where is it located and where it is, one
10 mile -- within one mile of the I-10 corridor, there
11 is very little chance of wind and air flow reaching
12 Desert Hot Springs, especially Desert Hot Springs,
13 given that it is so much north of where the project
14 is sited.

15 The wind is very much like water. It flows
16 downhill when it has an opportunity to do so. And if
17 you are here tomorrow -- I'm hoping you will all be
18 here in the morning -- you can look and see the
19 valley is shaped a little bit like a bowl on the
20 side, and it flows down the valley corridor.

21 The air flow is that it comes from the
22 west -- and that is the predominant direction that it
23 comes from -- will come over the White Water Hill
24 area; it will sweep along the northern edge of the
25 valley, and sweep down towards the middle.

1 Desert Hot Springs is located on the very
2 upper end, north end, of the valley, and there is
3 very, very little chance, if any, that any air flow
4 coming from that plant will actually make its way to
5 Desert Hot Springs, especially downtown.

6 So I wanted to just comment on that.

7 Mike Bracken spoke about the water issues.
8 300 -- 300 acre feet is 300 families, and I hope that
9 you share in his attempt to ask you to balance the
10 needs of 300 people against -- and I would say it is
11 not 50,000 families; I think it is probably the State
12 of California.

13 And those are my comments. Thank you.

14 HEARING OFFICER REYES: Thank you.

15 PRESIDING MEMBER KEESE: That concludes the
16 list we have. That puts us in a pretty good time
17 frame. Is there anyone else who wants to step
18 forward?

19 MR. NOBLE: May I?

20 PRESIDING MEMBER KEESE: Sure.

21 MR. NOBLE: I apologize, Commissioner.

22 My name is Fred Noble. I'm the landowner
23 on this project, so I have a few comments for you,
24 and I bet I do it in two minutes. That's N-O-B-L-E.
25 I'm a resident of Palm Springs, as well.

1 I'm sure that -- and you have seen that the
2 Mayor of Desert Hot Springs spoke himself, and
3 incidentally, when he mentioned 4,000 acre feet, I
4 believe the number is 300 acre feet per year. 4,000
5 acre feet would be more than the cooling water needs
6 of a thousand megawatt power plant. So I'm sure that
7 was just a mistake.

8 We have for many years paid the desert or
9 the Mission Springs Water District standby fees for
10 service to this parcel, as we have for many other
11 parcels in the area.

12 And I find it curious that, having paid
13 these standby fees all these years for service, that
14 suddenly it's granted and then taken back.

15 And that's maybe something that should be
16 looked into.

17 With regard to the wind direction and Desert
18 Hot Springs, the wind comes from 280 true about 88
19 percent of the year.

20 My background is in wind energy, as well,
21 for the last 20 years. I have developed the windmill
22 sites directly next to this parcel.

23 So the wind comes a little bit north of west
24 and, as Mr. Barrett says, tends to move down the
25 center of the valley Desert Hot Springs. The wind

1 would have to come from far south of west to deliver
2 the plume from this plant into Desert Hot Springs.

3 And I believe staff can evaluate that.

4 In that connection, the surveyors did not
5 convert their magnetic compass to true. They don't
6 know the variation which people in the Navy do and
7 use to navigate, and so it is 10 degrees -- 14
8 degrees off, but the true wind comes from 280, which
9 is north of west.

10 Traffic was mentioned. As I understand it,
11 this plant will operate remotely and will have, at
12 the most, one or two operators present, so I -- I
13 don't see the traffic is a major issue.

14 I think the construction period is three
15 months or less, and you will have traffic during that
16 period, and that's from being routed from a different
17 direction.

18 Finally, with regard to water, I feel a bit
19 foolish. The original plan was to drill a well for
20 the water, as is our absolute right on this parcel.
21 It is dealt with by the Desert Water Agency, and you
22 get a Well Permit. That's how you do it.

23 I'm the one who told InterGen to go to
24 Mission Springs and buy the water retail, because it
25 would be a good thing for Mission Springs.

1 And when we went there, we were well
2 received, and we thought that was dealt with, so the
3 position they have taken tonight is a surprise.

4 However, we do have an absolute right to
5 drill on that ground and had elected to, instead of
6 doing that -- which would be cheaper -- to go to
7 Mission Springs, in good faith, and I am surprised at
8 their position this evening.

9 Thank you.

10 PRESIDING MEMBER KEESE: Thank you. We have
11 a few questions to ask of our own. I think we
12 clarified the first one, and that is that we're
13 talking about a 135 megawatt facility.

14 We did note in the Application there was one
15 reference to 100 megawatts, but we are at 135.

16 What is the status of the Transmission
17 Interconnection Application?

18 MR. JONES: We filed on two different sites
19 for interconnection with the 45 megawatt sites a
20 while back.

21 It's part of this process in changing to a
22 single site, which we resubmitted with the CEC and
23 have, I believe, received back the System Impact
24 Study. We're in discussions with them and, in fact,
25 will be talking with them I believe on Thursday

1 regarding the interconnection.

2 PRESIDING MEMBER KEESE: Staff, would you
3 help me? Mr. Kennedy. Are we talking about a
4 five-day response time on these now?

5 MR. KENNEDY: We are supposed to be getting
6 a seven-day response on the interconnect, on the
7 interconnect sites.

8 MR. JONES: Actually, I'm corrected, that
9 we'll receive the SIS tomorrow -- Thursday -- and
10 we'll be discussing that with them formally,
11 informally.

12 This is an excellent place to interconnect
13 the facility, so, if there are any issues, it
14 wouldn't be system upgrade issues but just a question
15 of how long it takes to build the interconnect.

16 And we expect to resolve that in the near
17 term.

18 PRESIDING MEMBER KEESE: What is the status
19 of the fuel interconnect?

20 MR. JONES: The Fuel Interconnection
21 Application is not expected to be a problem at all.

22 On the time basis, we have -- we have the
23 pipe actually from an affiliate of ours, which had
24 required pipeline to install, and that's not expected
25 to be a critical path item at all.

1 MS. GEFTER: With respect to the gas
2 pipeline, which is supposed to go under I-5 to
3 connect to the gas --

4 MR. JONES: Actually, it is under I-10.

5 MS. GEFTER: Right. Do you need approval
6 from CalTrans? Do you need easements? How is this
7 coming?

8 MR. JONES: Yes, we do need a Permit from
9 CalTrans. We've been in discussion with CalTrans,
10 and we expect to receive that in plenty of time to
11 reach our date.

12 PRESIDING MEMBER KEESE: Mr. Kennedy, how do
13 we handle those in our --

14 MR. KENNEDY: Staff has also been in contact
15 with CalTrans, and our understanding is they will be
16 able to review the Application and make the
17 determination they need in time for the project to
18 move forward.

19 PRESIDING MEMBER KEESE: Does that mean by
20 this Saturday, or before the project is to start
21 operation?

22 MR. KENNEDY: In time for the construction
23 of the pipeline.

24 PRESIDING MEMBER KEESE: Thank you.
25 Informally, my question was the term of procurement.

1 You indicated, I believe, that you already had
2 procurements?

3 MR. JONES: Yes. We not only have the
4 procurements, but we have the SEC on order. At this
5 stage, we're going to expect to start construction in
6 the near term. All the major equipment orders and
7 the contract is negotiated, and the contractor is
8 ready to mobilize.

9 PRESIDING MEMBER KEESE: On the property, do
10 I understand you have a binding agreement to lease
11 and an option to purchase? Is that --

12 MR. JONES: We have, currently have, a
13 binding agreement to lease, and we are under
14 negotiations to purchase the land.

15 PRESIDING MEMBER KEESE: So, that won't be
16 a problem; we will meet our requirements for site
17 control?

18 MR. KENNEDY: Yes.

19 PRESIDING MEMBER KEESE: Thank you. I think
20 that -- Just a minute.

21 MR. SMITH: In your Application, there is a
22 letter dated March 1st from the Missions Springs
23 Water District, which I believe is -- is what's
24 referenced as the Conditional Service Commitment?

25 MR. JONES: Yes.

1 MR. SMITH: -- at 240 gallons per minute?

2 Maybe this is a question for the Water
3 District, as well, but could you reconcile that
4 commitment for the 240 gallons per minute on March
5 1st, and was signed by Gary Brockman, with your
6 current position which is, to the Energy Commission
7 to -- stated in your letter to deny the project under
8 this permitting process.

9 That should be clarified for us.

10 MR. JONES: I'm sorry. The question was if
11 we can reconcile the letter?

12 MR. SMITH: A letter in the Applicant
13 Application dated March 1st, in which Mission Springs
14 is given a commitment of 240 gallons per minute, and
15 your position now, though, is that 240 gallons per
16 minute would cause a significant --

17 MR. JONES: That's correct.

18 HEARING OFFICER REYES: Please state your
19 name again.

20 MR. BOCANEGRA: Refugio Bocanegra; I'm called
21 Joe.

22 The letter was issued based on a peaker
23 plant that was only going to operate during Stage 2
24 or Stage 3 conditions, at 240 gallons per minute,
25 which we could mitigate the on, off, use of the

1 water.

2 The presentation today or the Application is
3 for a plant that could possibly go 328 days at 240
4 gallons a minute. Of course, that's 328 acre feet of
5 water, and I need to address the comment that that's
6 328 homes.

7 It isn't. That's the whole City of Desert
8 Hot Springs. It is the basin serving 25,000 people
9 that would be affected, not 325 homes. It -- that's
10 the demand probably the 325 new homes would take, but
11 to continue to overdraft the basin affects the whole
12 area of over 25,000 people.

13 But, yes, it could be mitigated, and as a
14 matter of fact, we do have a proposed meeting
15 tomorrow with InterGen and discussion to see what can
16 be done according to the requirements we have
17 stipulated here in the Resolution. And, of course, a
18 major issue is augmented water supply.

19 PRESIDING MEMBER KEESE: Thank you.

20 MR. SMITH: How many acre feet, as a peaker
21 operation, under peaker mode, do -- 240 gallons per
22 minute represents how many acre feet?

23 MR. BOCANEGRA: I'm not sure. It depends on
24 what the run time will be, which represents an acre
25 foot a day of run, a run time, so it depends on how

1 many days it's run.

2 MR. SMITH: But you could provide that
3 service under peaker load, as originally --

4 MR. BOCANEGRA: As originally, yes.

5 MR. SMITH: Thank you.

6 PRESIDING MEMBER KEESE: We have a
7 subsequent question to ask.

8 MS. GEFTER: I have a question for Mr. Jones
9 with respect to the negotiations with the Department
10 of Water Resources. I understand negotiations are
11 pending. Is this for peaker service?

12 MR. JONES: This is for accommodation of
13 replacing the California ISO contracts, which are the
14 Summer Reliability Contracts, as well as additional
15 supply of energy above and beyond what is going to be
16 supplied by these plants.

17 MS. GEFTER: As peaker plants or as base
18 load?

19 MR. JONES: It is going to be a combination
20 of products, both peaker services as well as base
21 load energy.

22 MS. GEFTER: Base load is not included in
23 the Application?

24 MR. JONES: No, but the -- without going into
25 too much detail, in our negotiations, it is our

1 intention to supply well in excess of the output of
2 these projects specifically to the DWR under a
3 mixture of peaker and around the clock products.

4 MS. GEFTER: The Air District is proposing
5 to permit you for 7884 hours per year. Would part of
6 that time, then, be base load under the DWR
7 contract?

8 MR. JONES: We're submitting our permits for
9 a fairly broad range of operation.

10 As we are currently facing a emergency in
11 the state, all peakers, you know, no matter how
12 efficient or no matter how poorly controlled their
13 emissions are, are running all out.

14 And because there is a shortfall of
15 generation in the state, the reason we're permitting
16 for so many hours is because we feel in the next
17 couple of years, it is going to be necessary to run
18 quite a few hours in order to help alleviate the
19 crisis.

20 As new generation comes on line, we expect
21 those hours to decline substantially.

22 MS. GEFTER: I don't intend to put you on
23 the spot, but the Application this information was
24 presented, and the question becomes, under the
25 Authority to Construct Permit, you are asking for 5.0

1 PPM NOx emissions, but if you are running base loads,
2 it would have to be 2.30, and I believe for a single
3 cycle, it is 5.0. And that's what we requested.

4 Thank you.

5 PRESIDING MEMBER KEESE: Thank you.

6 HEARING OFFICER REYES: We received an
7 additional request to speak from Mr. Tony Hoetker.
8 If you please, state your name and spell it.

9 MR. HOETKER: Thank you very much for letting
10 me come back. I know I'm late. I was sitting at
11 home watching this, and I kind of felt somewhat
12 obligated to get up and come down. It's Tony
13 Hoetker, H-O-E-T-K-E-R, and again, thank you for
14 taking the time to let me back in here.

15 Let me first off say I'm not against your
16 power generation; I know the problem that we're in.
17 However, I'm concerned about the location of it.

18 You were asking earlier about the emissions,
19 and I tried to understand what the gentleman was
20 saying. He said they were low.

21 But my concern is -- and I'm a real novice
22 at this -- if we have to borrow pollution from
23 somebody, that means we're putting out more than we
24 should be putting out. So, I somehow, I'm getting
25 the impression that there is going to be particles

1 coming out.

2 I'm a commercial pilot and have flown in and
3 out of this valley for 25 years. The prevailing
4 winds blow right down the freeway. I don't know how
5 far these particles will travel.

6 Somebody here said that it will fall in open
7 desert. If you look at that freeway, the wind
8 travels right down the freeway. The people in
9 Thousand Palms, Bermuda Dunes, to Avondale, The
10 Lakes -- there is a real big one down there -- these
11 particles could be falling -- I have no idea how far
12 the particles travel, but, as far as them falling in
13 open desert, I'm not convinced of that.

14 I think a little more study ought to be
15 looked into: How far they travel; what kind of
16 particles are coming out.

17 They are on the fast track, but I wonder if
18 all the people down in the valley understand what's
19 coming at them. And there is this big rush, and I
20 somehow -- go ahead, sir.

21 PRESIDING MEMBER KEESE: The big rush is
22 because we are ordered to do it in a big rush.

23 What we did here probably is what you were
24 driving about over here -- what we did here was what
25 you have just said; that the prevailing winds is not

1 going to take this to Desert Hot Springs; it is going
2 to move it down the freeway, from breezes coming down
3 from the north.

4 We had a couple of wind operators who
5 suggest that.

6 And what we did here from the Air District,
7 which you can see, off your right shoulder -- in my
8 view -- and maybe we can hear again, is that at the
9 point of maximum impact, downwind, it does not meet
10 any levels of significance in impact.

11 MR. HOETKER: I listened to the South Coast
12 gentleman here before, and didn't say too much. I
13 listened to a gentleman from the power co-generation
14 that said that, but maybe I missed it. Maybe the
15 South Coast gentleman clarified it.

16 PRESIDING MEMBER KEESE: If you want to --
17 let's give South Coast one more chance to clarify
18 here.

19 MR. HOETKER: Thank you for your time.

20 PRESIDING MEMBER KEESE: Thank you. And
21 we're certainly glad to hear somebody in Palm Springs
22 is listening to this -- was listening to this.

23 MR. YEE: Well, let me first clarify the
24 issue that this gentleman was saying, and that we've
25 evaluated the modeling based upon the expected

1 emissions from this facility.

2 And we expect that the impacts -- there will
3 be impacts, but they will be levels of which are
4 below the thresholds specified in our rules. So it
5 will not exceed the thresholds in our rules, so it
6 does allow us to make a decision, based upon our
7 rules, that say that this project can operate within
8 all our rules and regulations specific for the
9 pollutants that he is referring to.

10 PRESIDING MEMBER KEESE: And to answer a
11 second part that he might have asked, in any event,
12 even though it does not reach any threshold, we don't
13 just allow them to operate the plant; we require them
14 to offset it anyway?

15 MR. YEE: That's correct, yes.

16 PRESIDING MEMBER KEESE: Thank you.

17 MS. GEFTER: I have a question for you. If
18 this project were coming to you as a base-load plant
19 and not a peaker simple-cycle plant, what would the
20 PPM be under those circumstances?

21 MR. YEE: The current PPM's for a
22 simple-cycle turbin would be 5 PPM for what would it
23 meet our BACT levels and Federal.

24 The 2.5 that you mentioned earlier is
25 generally a figure which is used for combining cycle

1 or cogeneration facilities. The temperature is
2 actually lower than the SCR, operates with greater
3 efficiency.

4 MS. GEFTER: And in preparing the Permit,
5 you are aware that you probably could run base load
6 at 5.5 peaker unit?

7 MR. YEE: Right, I understand.

8 I did -- I did want to, as an aside, on
9 things I did bring -- and I did want to share it with
10 the Commission -- a copy of -- so you don't have to
11 search the newspapers tomorrow -- a copy --

12 PRESIDING MEMBER KEESE: You found it?

13 MR. YEE: A copy of our public notice, which,
14 according to the Applicant, was issued on Sunday, but
15 we had expected it to be issued tomorrow. It is
16 available here for anybody who is interested, and the
17 general public, any interested agencies.

18 So I just wanted to make sure -- I did see
19 some people leave. I wanted to make sure this was
20 out here so everyone has this knowledge, and you can
21 make comments.

22 HEARING OFFICER REYES: You are about to
23 hand us at least one copy? And I will mark the
24 document, the two pages you handed to me, as Exhibit
25 6.

1 MR. YEE: I will place it in back of the
2 room, and if anybody is interested, please take this.
3 It has information about the emissions and has
4 information about your capability to comment on the
5 project.

6 HEARING OFFICER REYES: It says distribution
7 date March 28, because that was the anticipated
8 date.

9 MR. YEE: Yes, that was the anticipated date.

10 MS. GEFTER: What date are you going to
11 declare as the published date in the beginning of the
12 30-day comment period?

13 PRESIDING MEMBER KEESE: I don't think he
14 has seen a published copy yet.

15 MR. YEE: I haven't seen the published copy,
16 and until I have seen that, I would assume this date
17 would suffice.

18 And for anybody who is receiving it in this
19 room, it should be -- well, it's up for debate. I
20 think we're going with the 28th.

21 PRESIDING MEMBER KEESE: Thank you.

22 HEARING OFFICER REYES: We will take a short
23 recess. We're going to take brief recess, and then
24 we may -- the Committee may have -- some questions
25 for the Applicant and staff.

1 (Recess taken.)

2 PRESIDING MEMBER KEESE: We're back on the
3 record here. I have a few questions here.

4 Traffic during construction, staff's
5 feeling?

6 MR. KENNEDY: We have received input from
7 the City of Palm Springs which has suggested some
8 alternative routings to avoid I-10 and Indian
9 Avenue. We just received that a few days ago, and
10 we're evaluating that, but we think that, with proper
11 mitigation and proper routing, that that can be
12 handled.

13 PRESIDING MEMBER KEESE: Thank you. Does
14 the Applicant have any comment at all?

15 MR. JONES: My only comment is to emphasize,
16 again, the brief nature of the construction period,
17 and that once the project is operating, that there is
18 going to be no traffic impact at all.

19 PRESIDING MEMBER KEESE: Thank you. All
20 right. Mr. Reyes, would you --

21 HEARING OFFICER REYES: We are coming to the
22 -- we're nearing the end of the process, but there
23 are a few things that we would like the Applicant to
24 address in time for the staff to consider before
25 drafting the Staff Assessment so that they may be

1 addressed in the Decision of the Commission,
2 initially, the Decision of Commissioner Keese and
3 then the Full Commission Decision.

4 And these are five issues, and they
5 basically fall under the category of Status Report.

6 Please provide a Status Report regarding the
7 facility's interconnection agreement.

8 Second, please provide a Status Report on
9 any water-supply issues that you may have been able
10 to resolve with the Water District and any conditions
11 that may have been agreed to, and any discussions
12 between the parties.

13 Status Report regarding discussions with
14 CalTrans regarding requisite permits or easements for
15 the fuel connection. And a Status Report regarding
16 any agreement for the Fuel Interconnection
17 Application.

18 And Number 5, report on any status regarding
19 any further developments, if any, with DWR regarding
20 contracts with them.

21 And I saved this for last. The deadline for
22 submission of this information is by Thursday, the
23 29th, 5:00 p.m., close of business on that date.
24 And please send it to Mr. Kennedy at the e-mail
25 address with a copy to me at the following e-mail

1 address: samuel.reyes@dgs.ca.gov.

2 And as has been stated previously, there
3 will be another hearing on April -- actually, before
4 I proceed with my concluding remarks, are there any
5 questions regarding the issues or the status reports
6 or about the deadline?

7 MR. JONES: I understands that, and we will
8 provide you with the update on the -- by 5:00
9 o'clock on Thursday.

10 We may have further developments on some of
11 these issues by the end of the day on Friday, and if
12 you guys would accept it, we will provide you a
13 Thursday update, and to the extent we have additional
14 information, we will also that before the end of the
15 day on Friday.

16 MR. KENNEDY: Staff is unlikely to be able
17 to incorporate any input on Friday for staff
18 assessment if it is to be published on Saturday.

19 HEARING OFFICER REYES: We will,
20 nevertheless, receive anything that you have.

21 PRESIDING MEMBER KEESE: We'll receive
22 anything on Friday or Monday, because that's when the
23 Presiding Member's decision will come out.

24 MR. JONES: Very good. Thank you. We'll
25 take it on Saturday.

1 HEARING OFFICER REYES: There will be
2 another hearing on April 4th, 2001 in Sacramento for
3 the Commission to consider and vote on the
4 Recommendation made by the Committee.

5 The Recommendation will be based on what is
6 presented tonight and comments and information
7 received over the next several days from you, from
8 public agencies, and from Commission Staff.

9 The Commission has established an e-mail and
10 800 number for receipt of comments, and what I will
11 do is I will repeat this, Mr. Kennedy's correct
12 e-mail address and his 800 number.

13 Okay: kkennedy@energy.state.ca.us.

14 And the phone number is 888-871-9673.

15 In order for the comments to be considered
16 before the staff issues its Assessment, they must be
17 received by the Thursday, 5:00 p.m. deadline.

18 I'll just repeat the -- the timing.

19 So the Staff Analysis will be issued on
20 Saturday the 31st; the Committee's Decision is
21 expected to be issued on April 2nd; the Adoption
22 Hearing before the full Commission, that is to begin
23 on April 4th, Wednesday.

24 PRESIDING MEMBER KEESE: Well, final
25 comments: I thank everybody here for helping us out.

1 The Applicant has done fast work in getting
2 this proposal to us; the staff has done wonderful
3 work in doing the Analysis as quick as they have; and
4 the community has responded quite well in, I believe,
5 focusing on the issues that they should be concerned
6 about and we want to be concerned about.

7 So, I believe we've had a full discussion
8 here. Obviously we have our work still cut out for
9 us, and we look for as much input as you can give us,
10 as timely as you can, but, as we embark on this
11 process of 21-day permitting, this seems to have
12 worked quite well in this case, so I thank you all
13 for your assistance.

14 PRESIDING MEMBER KEESE: Meeting is
15 adjourned.

16 (Adjourned at 8:57 O'Clock P.M.)

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1 STATE OF CALIFORNIA)
) ss:
2 COUNTY OF SAN DIEGO)

3 I, Janet B. White, Certified Realtime Reporter,
4 C.S.R. No. 1879, do hereby certify:

5 That the foregoing INFORMATION HEARING BEFORE
6 THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
7 COMMISSION OF THE STATE OF CALIFORNIA, was reported
8 by me at the time and place herein set forth; was
9 thereafter transcribed, through computer-aided
10 technology, under my direction and supervision, and
11 that the foregoing is a true record of same.

12 I further certify that I am neither counsel for nor
13 related to any party to said action, nor in any way
14 interested in the outcome thereof.

15 IN WITNESS WHEREOF, I have subscribed my name
16 this 1st day of April, 2001.

17

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22 JANET B. WHITE, C.S.R. No. 1879

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